LETTER OF AGREEMENT #1

Pre-Scheduled Transportation Runs—Department of Corrections

The parties agree that when there is a pre-scheduled transportation run outside of the Corrections Transportation Officers' (CTOs) normal work hours, of which facility management is aware at least twenty-four (24) hours prior to the run, and facility management knows that overtime is needed on the same day as the scheduled run, the run will first be offered to CTOs from that facility. If they do not accept the offer of overtime, the facility will utilize the regular, voluntary overtime equalization, beginning with the A list.

In complexes with transportation cadres, the offer of overtime will be made to the CTOs assigned to facilities within the complex cadre.

LETTER OF AGREEMENT #2

ARTICLE 28—ANNUAL LEAVE DONATION

The parties agree that having a uniform process for donation and receipt of annual leave across State government would increase efficiency and understanding of the procedure.

Following approval of this Agreement, the parties agree to address this issue in the Labor/Management Health Care Committee forum(s) to attempt to remove inconsistencies in the processes and draft a uniform procedure.

Proper subjects to be addressed at this meeting include, but are not limited to:

- Conditions under which leave can be received and
- Conditions under which leave can be donated, and
- The procedure for making such a request.

Any changes that would modify the Collective Bargaining Agreement would be implemented in a separate Letter of Understanding that would be submitted to the Civil Service Commission for approval.

LETTER OF INTENT #1

Corrections Transportation Officers

Upon the request of the Central Office of MCO, or from the MDOC, the parties shall meet and discuss issues affecting the CTO classification. The subject matter of such meeting(s) shall include, but shall not be limited to, physical fitness standards, scheduling, overtime, the process for filing grievances and other issues unique to the classification.

All CTOs shall continue to have responsibility state-wide; however, the department shall assign each CTO to a specific work location.

LETTER OF INTENT #2

Pay Statements

The parties agree that where the Employer provides computers for access by bargaining unit employees, printers will be available in the same location. The equipment shall enable employee access to HRMN Self Service and department intranet sites where such sites are available.

In consideration of the above, the parties agree that the Employer may discontinue mailing of paper earnings statements effective January 1, 2008.

LETTER OF INTENT #3

ARTICLE 9, SECTION C. GRIEVANCE PROCEDURE FOR CORRECTIONS TRANSPORTATION OFFICER (CTOS) IN CORRECTIONAL FACILITIES ADMINISTRATION (CFA)

The Step 1 designee for CFA CTOs is the Operations Division Administrator. Grievances may be filed there directly by the CTO, or a facility human resources office will assist the CTOs by faxing grievances to the Operations Division.

Grievance answers will be sent to the grievant, the designated Chapter Union Representative and the MCO Central Office.

The parties may mutually agree to changes in this procedure.

LETTER OF UNDERSTANDING #1
COMMERCIAL DRIVER LICENSE

The parties agree that under Act 346 of 1988 certain Unit employees may be required to obtain and retain a Commercial Driver License (CDL) to continue to perform certain duties for the State.

Whenever a CDL is referred to in this letter, it is understood to mean the CDL and any required endorsements.

In order to implement this provision, the parties agree to the following:

1. The Employer will reimburse the cost of the required CDL Group License and Endorsements for those employees in positions where such license and endorsements are required.

2. The Employer will reimburse, on a one-time basis, the fee for the skills test, if required, provided the skills test is not being required because of the employee's poor driving record. In that case, the employee is responsible for the cost of the skills test. Where a skills test is required, the employee will be permitted to utilize the appropriate state vehicle.

3. Employees shall be eligible for one grant of administrative leave to take the test to obtain or renew the CDL. Should the employee fail the test initially, the employee shall complete the necessary requirements on non-work time.

4. Employees reassigned to a position requiring a CDL shall be eligible for reimbursement and administrative leave in accordance with paragraphs 1, 2 and 3 above.

5. Employees desiring to transfer, promote, bump, or be recalled to a position requiring a CDL are not eligible for reimbursement or administrative leave for obtaining the initial CDL, but shall be eligible for reimbursement for renewal.

6. Employees who fail to obtain, or retain, a required CDL may be subject to removal from their positions. Employees who fail required tests may seek a 90-day extension of their current license, during which the Employer will retain the employee in their current, or equivalent position. The Employer shall not be responsible for any fees associated with such extensions. At the end of the 90-day extension, if the employee fails to pass all required tests, the employee may be reassigned at the Employer's discretion, in accordance with applicable contract provisions, to an available position for which the employee is qualified (but not requiring a CDL), or, if no position is available, the employee will be laid off without bumping rights and will be placed on the departmental recall list, subject to recall in accordance with the Agreement. Those employees not choosing to extend their license for the 90-day period will be removed from their positions at the expiration of their current license and may be reassigned at the Employer's discretion, in accordance with applicable contract provisions, to an available position not requiring a CDL for which the employee qualifies, or, if no position is available, they will be laid off without bumping rights and will be placed on the departmental recall list.

7. Employees required to obtain a medical certification of fitness shall have the "Examination To Determine Physical Condition of Drivers" form filed in their medical files. A copy of the Medical "Examiners Certificate" shall be filed in their personnel files. The Employer agrees to pay for the examination and to grant administrative leave for the time necessary to complete the examination.

This Letter of Understanding shall not apply to non-employees who may be required to have the CDL as a condition of employment, nor to employees whose license is suspended or revoked.

LETTER OF UNDERSTANDING #2

Light Duty Assignments—Working Out of Class—Limited Term Appointments

The following statements represent a letter of understanding between MCO and the MDOC:

1. MCO Bargaining Unit members working light-duty assignments shall not be permitted to work overtime until they have provided a release from their doctor stating they are able to return to full duty and perform the full function of their classification. At that time they shall be credited with the number of hours prior to being placed on light duty status. If the period of light duty extends into another quarter, then the employee shall be credited with zero hours.
2. MCO Bargaining Unit members in working out of class outside the Bargaining Unit (acting sergeant, arum, etc.) positions shall remain in the annual leave book (except for the period they are “acting”) and retain their RDOs and shift for up to one year. However they will not be permitted to work overtime in the Bargaining Unit. Once they have vacated the “acting” position they shall be credited with the highest number of hours on their shift and RDO group on the OEL at that time.
3. MCO Bargaining Unit members in “limited term” Non-bargaining Unit positions shall lose their Bargaining Unit RDOs and shall be removed from the OEL and the annual leave book for the period of the “limited term” appointment.

LETTER OF UNDERSTANDING #3

IMPLEMENTATION OF THE FEDERAL FAMILY AND MEDICAL LEAVE ACT

Except as otherwise provided by specific further agreement between the Michigan Corrections Organization and the Office of the State Employer, the following provisions reflect the parties' agreement on implementation of the rights and obligations of employees and the Employer under the terms of the Family and Medical Leave Act

(“FMLA” or “ACT”) as may be amended and its implementing Regulations, as may be amended, which took effect for the Security Unit on April 6, 1995.

When an employee takes leave which meets the criteria of FMLA leave, the employee may request to designate the leave as FMLA leave or the Employer may designate such leave as FMLA leave. This applies when the employee requests an unpaid leave or is using applicable leave credits.

1. Employee Rights. Rights provided to employees under the terms of the collective bargaining agreement are not intended to be diminished by this Letter of Understanding. Contractually guaranteed leaves of absence shall not be reduced by virtue of implementation of the provisions of the Act.

2. Employer Rights. The rights vested in the Employer under the Act must be exercised in accordance with the Act unless modified by the provisions of the collective bargaining agreement.

3. Computation of the "twelve month period". The parties agree that an eligible employee is entitled to a total of 12 work weeks of FMLA leave during the 12 month period beginning on the first date the employee's parental, family care, or medical leave is taken; the next 12 month period begins the first time such leave is taken after completion of any 12 month period.

4. Qualifying Purpose. The Act provides for leave with pay using applicable leave credits or without pay for a total of 12 work weeks during a 12 month period for one or more of the following reasons:

    a. Because of the birth of a son or daughter of the employee and in order to care for such son or daughter ("parental leave");

    b. Because of the placement of a son or daughter with the employee for adoption or foster care ("parental leave");

    c. In order to care for the spouse, son, daughter, or parent of the employee, if such spouse, son, daughter or parent has a serious health condition as defined in the Act ("family care leave");

d. Because of the employee's own serious health condition, as defined in the Act, that makes the employee unable to perform the functions of the position of the employee ("medical leave").

e. Because of certain military family leaves related to a qualifying exigency resulting from a call to active military duty, and care needs resulting from serious injury or illness incurred during active duty.

5. Information to the Employer. In accordance with the Act, the employee, or the employee's spokesperson if the employee is unable to do so personally, shall provide information for qualifying purposes to the Employer.

6. Department of Labor Final Regulations and Court Decisions. The parties recognize that the U. S. Department of Labor has issued its final regulations implementing the Act effective January 16, 2009. However, the Employer may make changes necessitated by any amendments to the Act and regulations or subsequent court decisions. The Employer shall provide timely notice to the Union and opportunity for the Union to meet to discuss the planned changes. Such discussions shall not serve to delay implementation of any changes mandated by law.

7. Complaints. Employee complaints alleging that the Employer has violated rights conferred upon the employee by the FMLA are not grievances under the collective bargaining agreement between the Union and the Employer. Any such complaints may be filed by an employee directly with the employee's Appointing Authority or to the U.S. Department of Labor. The Union may, but is not obligated to, assist the employee in resolving the employee's complaint with the employee's Appointing Authority. Complaints involving the application or interpretation of the FMLA or its Regulations shall not be subject to arbitration under the collective bargaining agreement.

8. Eligible Employee. For purposes of FMLA, Family Care Leave, an eligible employee is an employee who has been employed by the Employer for at least 12 months and has worked at least 1,250 hours in the previous 12 months. An employee's eligibility for a

contractual leave of absence remains unaffected by this Letter of Understanding; however, such contractual leave of absence will count towards the employee's FMLA Leave entitlement after the employee has been employed by the Employer for at least 12 months, and has worked 1,250 hours during the previous twelve month period.

Where the term "employee" is used in this Letter of Understanding, it means, "eligible employee". For purposes of FMLA leave eligibility, “employed by the Employer” means “employed by the State of Michigan in the state classified service”.

9. 12 Work Weeks During a 12 Month Period. An eligible employee is entitled under the Act to a combined total of 12 work weeks of FMLA leave during a 12 month period.

10. General Provisions.

    a. Time off from work for a qualifying purpose under the Act ("FMLA Leave") will count towards the employee's unpaid leave of absence guarantees as provided by the collective bargaining agreement. Time off for Family Care Leave will be as provided under the Act.

    b. Employees may request and shall be allowed to use accrued annual leave to substitute for any unpaid FMLA leave. Such use of accrued annual leave to substitute for any unpaid FMLA leave shall not be counted as an “annual leave slot taken” in administering the Annual Leave Formula unless the employee had previously reserved the time in the vacation book.

    c. The employee may request or the Employer may require the employee to use accrued sick leave to substitute for unpaid FMLA leave for the employee's own serious health condition or serious health condition of the employee's spouse, child, or parent.

    d. The Employer may temporarily reassign the employee to an alternative position at the same classification and level in accordance with an applicable collective bargaining agreement provision when it is necessary to accommodate the employee’s

intermittent leave or reduced work schedule in accordance with the Act. Such temporary reassignment may occur when the intermittent leave or reduced work schedule is intended to last longer than a total of ten work days, whether consecutive or cumulative. Whenever possible, the Employer shall make reasonable efforts to reassign the employee within the employee's current work location. For purposes of Layoff and Recall, the employee shall be considered to be in the layoff unit applicable to the employee's permanent position. Upon completion of an FMLA leave, the employee shall be returned to the employee's original position as soon as practicable and in accordance with the Act.

e. Second or third medical opinions, at the Employer's expense, may be required from health care providers where the leave is designated as counting against an employee's FMLA leave entitlement, but only in accordance with the Act.

f. Return to work from an FMLA leave will be in accordance with the provisions of the Act and any applicable collective bargaining agreement.

11. Insurance Continuation. Health Plan benefits will continue in accordance with the Act provided, however, that contractually established health plan benefits shall not be diminished by this provision.

12. Medical Leave. Up to 12 work weeks of paid or unpaid medical leave during a 12 month period, granted pursuant to the collective bargaining agreement, may count towards an eligible employee's FMLA leave entitlement.

13. Annual Leave. When an employee requests to use annual or personal leave and it is determined, based on information provided to the Employer in accordance with the Act that the time is for a qualifying purpose under the Act, the Employer may designate the time as FMLA Leave and it will be counted against the employee's 12 work weeks FMLA Leave entitlement if the time is either:

a. To substitute for an unpaid intermittent or reduced work schedule; or

b. When the absence from work is intended to be for five or more work days.

14. Sick Leave. An employee may request or the Employer may require the employee to use sick leave to substitute for unpaid leave taken for a qualifying purpose under the Act. Contractual requirements that employees exhaust sick leave before a personal medical leave of absence commences shall continue. In addition, an employee will be required to exhaust sick leave credits down to eighty (80) hours before a FMLA Family Care leave commences. If it is determined, based on information provided to the Employer in accordance with the Act that the time is for a qualifying purpose under the Act, the Employer may designate the time as FMLA leave and it will be counted against the employee's 12 work weeks FMLA leave entitlement if the time is either:

    a. To substitute for an unpaid intermittent or reduced work schedule; or

    b. When the absence from work is intended to be for five or more work days. Annual leave used in lieu of sick leave may be likewise counted.

15. Parental Leave. Except as specifically provided herein, contractual parental leave guarantees are unaffected by implementation of FMLA. An employee's entitlement to parental leave will expire and must conclude within 12 months after the birth, adoption, or foster care placement of a child. However, in accordance with the Act, an eligible employee is only entitled to up to a total of 12 work weeks of leave for foster care placement of a child. Up to 12 work weeks of leave will be counted towards the FMLA leave entitlement. An employee may request to substitute annual or personal leave for any portion of the unpaid parental leave. Intermittent or reduced work schedules may only be taken with the Employer's approval.

16. Light Duty. In accordance with the Act, if an employee voluntarily accepts a light duty assignment in lieu of continuing on FMLA leave, the employee’s right under the Act to be restored to the same or an equivalent position continues only until a total of 12 weeks, including the time in the light duty job, has passed.

LETTER OF UNDERSTANDING #4

IMPLEMENTING THE FEDERAL OMNIBUS TRANSPORTATION EMPLOYEE TESTING ACT & REGULATIONS

The parties acknowledge that the Omnibus Transportation Employee Testing Act of 1991 ("Act"), which became effective for the State of Michigan and its employees on January 1, 1995, requires that covered employees submit to testing for alcohol and controlled substances under the circumstances provided in the implementing regulations. The parties also acknowledge that the Employer is required to conduct alcohol and controlled substance testing of employees who occupy safety sensitive positions (as defined in the Act and implementing regulations) in accordance with the criteria and procedures provided in the Act and implementing regulations, and in all other respects comply with the Act and implementing regulations.

The Employer will furnish to MCO by January 30th of each year the names and work locations of bargaining unit employees who, on or about the beginning of that calendar year, are covered by the Omnibus Transportation Employee Testing Act, and the type(s) of vehicle(s) each employee may be required to drive.

The Employer will provide to the Union identification of the testing laboratory(ies), collection sites, and the contractor in charge of the overall testing procedure, and any other information necessary to reasonably assure the Union of the quality control features of the program. It is understood that the results of a post-accident alcohol test conducted by a local or state police agency may be used if the results are obtained by the Employer.

The Union and the Office of the State Employer will meet at the request of either party to discuss concerns about the procedure, and to otherwise ensure compliance with the requirements of the Act and its implementing regulations.

The Employer agrees to inform the employee, at the time the employee is notified of selection for testing, of the basis for testing (pre-employment, post-accident, reasonable suspicion, random, return-to-duty or follow-up).

In the event the employee is directed to submit to reasonable suspicion testing for alcohol or controlled substances, the Employer shall provide to the employee documentation of the observations giving rise to the directive for testing. A preliminary reasonable suspicion determination made by a supervisor must be reviewed and approved by the departmental drug and alcohol testing coordinator or designee. Reasonable suspicion determinations must be documented within 24 hours of observation, or before results of the required controlled substance test are released, whichever occurs first, and must be signed by the person who made the determination. A copy of the signed documentation shall be provided to the employee when it becomes available. An employee may confer with an available union representative whenever the employee is directed to submit to a reasonable suspicion alcohol or controlled substance test, provided such contact will not unreasonably delay the testing procedure.

Alcohol testing will only be performed before, during or after an employee is performing safety sensitive functions. “Performing safety sensitive functions” means actually performing, ready to perform, or immediately available to perform a safety sensitive function. Controlled substance testing may occur at any time the employee is on duty.

An employee covered by the Act who is using or in possession of any controlled substance shall, prior to reporting for or remaining on duty time to perform safety sensitive functions, provide the Employer with a written statement from the prescribing physician reporting the physician’s professional opinion of whether or not the prescribed medication which contains the controlled substance does or does not adversely affect the employee’s ability to perform safety sensitive functions. If the Employer relieves the employee from the duty of performing safety sensitive functions on the basis of the information supplied by the employee and/or the employee’s physician, at the Employer’s discretion the employee may be placed on another assignment, if one is available for which the employee is qualified, or, if none is available for which the employee is qualified, the employee may be placed on leave until one becomes available, with the employee having the right to elect to charge the absence to accumulated leave credits for purposes of pay.

The Employer will not test for any substance not required under the Act, under the nominal authority of the Act, nor will the Employer keep records of non-tested or reported substances unless required by the Act.

Both the Employer and the Union will encourage employees to seek professional assistance whenever necessary. An employee who voluntarily discloses a problem with use of a controlled substance or alcohol abuse shall not be disciplined for such disclosure, provided the employee discloses the problem prior to being notified to take a random or reasonable suspicion test under the Act, i.e., (A) has not been notified to take a random test, (B) is not in the process of complying with post-accident testing, (C) is not notified to submit to reasonable suspicion testing, (D) is not undergoing pre-employment testing for re-placement into the pool, etc. The employee shall be referred to a substance abuse professional (SAP). Employee absences under these circumstances will be covered by available leave credits, or a medical leave of absence in accordance with Article 19, Section E. of this agreement.

The Union retains the right to challenge, under the contractual grievance procedure, any elements of the testing procedure or rule not required under the Act. Grievances alleging contract violations resulting from Employer policies, practices, procedures and/or decisions adopted to comply with the Act and implementing regulations may be initially filed at step 3 of the contractual grievance procedure. However, an arbitrator shall have authority to interpret the Act and its implementing regulations only to the extent necessary to determine whether the disputed Employer policies, practices, procedures and/or decisions are required by the Act or the implementing regulations.

PHYSICIAN STATEMENT

DATE: _____

My patient, _____, is currently taking prescription medication which contains a controlled substance as defined by Schedules I through V in 21 U.S.C. 802 as Revised.

After review of the effects of this (these) medication(s) at the dosage and intervals prescribed and being informed by the patient of his/her work responsibilities related to the performance of any safety related functions, it is my professional opinion that the prescribed medication

DOES _____DOES NOT_____(Check Appropriate Response)

adversely affect my patient's ability to safely operate a commercial motor vehicle or perform other safety sensitive functions.

Signed by Prescribing Physician _____

Physician's Name Printed or Typed _____

LETTER OF UNDERSTANDING #5

COMMITTEE ON POLITICAL EDUCATION

During the current negotiations, the parties acknowledged the Civil Service Commission's current policy prohibiting payroll deduction and remittance for the purpose of contributing, voluntarily or otherwise, to a committee on political action. Accordingly, the parties jointly agreed not to conduct negotiations over the subject at this time.

However, the parties also agreed that, in the event the Civil Service Commission Policy is amended to permit such payroll deduction and remittance, upon the request of the Union, and subject to such limitations as the Civil Service Commission may establish, payroll deduction will be implemented.

LETTER OF UNDERSTANDING #6

Article 16, Section I.—Meal Periods

Through the expiration of this Agreement, December 31, 2015, the Employer agrees not to assert or exercise its right, related to relieving employees of their custody responsibilities during a meal period.

LETTER OF UNDERSTANDING #7

BANKED LEAVE TIME PROGRAM

1. Eligibility.

   All probationary and non-probationary employees shall be required to participate in the Banked Leave Time Program (Program) known as Part B hours under the State's Annual and Sick Leave Program.

2. Definitions and Description of Program.

   An employee shall work a regular work schedule, but receive pay for a reduced number of hours. The employee's pay shall be reduced by four hours per pay period. The employee will be credited with a like number of Banked Leave Time (BLT) hours for each biweekly pay period.

3. Hours Eligible for Conversion to Program.

   The number of BLT hours for which the employee receives credit shall be accumulated and reported periodically to participating employees. During the term of this Letter of Understanding, an employee shall not be able to accumulate in excess of 188 BLT hours. Accumulated BLT hours shall not be counted against the employee's regular annual leave cap, known as Part A hours under the Annual and Sick Leave Program.

   The employee shall be eligible to use the accumulated BLT hours in a subsequent pay period in the same manner as regular annual leave, pursuant to Article 28.

4. Timing of Conversion of Unused Program Hours.

   Upon an employee's separation, death or retirement from state service, unused BLT hours shall be contributed by the State to the employee's account within the State of Michigan 401(k) plan, and if applicable to the State of Michigan 457 plan. Such contributions shall be treated as non-elective employer contributions, and shall be calculated using the product of the following: (i) the number of BLT hours and, (ii) the employee's base hourly rate in effect at the time of the employee's separation, death, or retirement from state service.

   If the amount of a projected contribution would exceed the maximum amount allowable under Section 415 of the Internal Revenue Code (when combined with other projected contributions that count against such limit), the State shall first make a contribution to the employee's account within the State of Michigan 401(k) plan up to the maximum allowed, and then make the additional contribution to the employee's account within the State of Michigan 457 plan.

5. Insurances, Leave Accruals and Service Credits.

   Retirement service credits, overtime compensation, longevity compensation, step increases, continuous service hours, holiday pay, annual and sick leave accruals, cleaning allowance, physical standards and fitness incentive, and other pro-rations that would disadvantage any employee will continue as if the employee had received pay for the BLT hours. Premiums, coverage and benefit levels for insurance programs (including LTD) in which the employee is enrolled will not be changed as a result of participation in the Program. Employees shall incur no break in service due to participation in the Program. The Program is not intended to have a negative effect on the Final Average Compensation calculations under the State's Defined Benefit Plan nor the salary used for employer contribution calculations under the State's Defined Contribution Plan. Banked Leave Time hours are to be treated as time worked and time paid for purposes of retirement.

6. Relationship to Plan A and Plan C.

   Before incurring unpaid Plan A or Plan C hours all BLT hours must be exhausted.

7. Hours Added to the Annual Leave Formula.

   22 BLT hours for each employee shall be added to the annual leave formula provided for in Letter of Understanding #1 and as provided in the DCH secondary agreement for calendar year 2006.

8. Term.

   The Program shall be effective beginning January 2, 2005 and shall be in effect through the pay period ending October 22, 2005. No additional BLT hours will be requested by the Employer for the duration of this Agreement that expires on December 31, 2007.

LETTER OF UNDERSTANDING #8

Article 12, Section N.—Drug and Alcohol Testing

The Office of the State Employer and the Michigan Corrections Organization agree to the following decreases/increases to non-OTETA random drug and alcohol testing.

Effective February 2005, the random test pool was decreased from 15% to 10%. Using calendar year 2004 as a base, if there is an increase in the percentage of positive test results, the employer reserves the right to increase the testing percentage back to 15%. If there is a decrease in the percentage for positive test results, the Office of the State Employer will meet with MCO within 30 days of the date percentage data is provided to the Union to discuss potential further reductions in the percentages of employees to be randomly tested.

The Office of the State Employer will provide data on testing percentages annually upon request by the MCO.

LETTER OF UNDERSTANDING #9

OPTIONAL COVERAGES PROGRAM

Upon Civil Service Commission approval, an Optional Coverages Program (OPC) will be implemented for State of Michigan employees. Plans to be offered initially under the Optional Coverages Program are expected to include voluntary group term life insurance, universal life insurance, critical illness insurance, and group home and auto insurance. A prepaid legal plan will also be offered. Additional plans may be offered at later dates.

The parties agree the Employer may extend the OPC to employees in the Security Bargaining Unit. Employees who choose to voluntarily participate in the OCP may elect to enroll in one or more of the plans offered upon the terms and conditions set forth by the provider of the specific optional coverage plan(s). Employees who choose not to participate in the OCP will not have any additional coverages.

Premiums required for any OCP plan in which the employee enrolls are the sole responsibility of the employee. Payment may be made through payroll deduction or direct bill as permitted by the specific plan.

In the event any optional coverage plan is cancelled or withdrawn, employees enrolled in the plan will be sent written notice at least 30 calendar days in advance of the coverage end date.

LETTER OF UNDERSTANDING #10

NEOGOV

During the course of negotiations in 2011, the parties discussed the changes in technology related to the hiring process; specifically the NEOGOV system. The parties have agreed to explore the use of this technology for mutually beneficial opportunities in order to streamline the transfer request process. Any changes that would modify the Collective Bargaining Agreement would be implemented in a separate Letter of Understanding that would be submitted to the Civil Service Commission for approval.

LETTER OF UNDERSTANDING #11
JOINT HEALTHCARE COMMITTEE

During the 2011 negotiations, the parties discussed the mutual goal of designing and implementing health care plans, including ancillary plans, that effectively manage costs and that work to keep members healthy. To that end, the Employer and the Unions will convene a Joint Healthcare Committee (the "Committee") whose charges will include, but not be limited to:

a. Analysis of current plan performance identifying opportunities for improvement;

b. Investigate potential savings opportunities from re-contracting pharmacy or other carrier contracts;

c. Review the current specialty pharmacy program and identify best-in-class specialty programs to use as a benchmark;

d. Analyze current HMO plans to determine if they are a cost-effective means of providing high quality health care;

e. Investigate impact on outcomes and costs of Value Based Benefit Designs;

f. Identify opportunities for cost-containment programs and carve out programs;

g. Investigate opportunities to save costs by modifying or otherwise limiting medical, professional and pharmacy networks;

h. Review current chronic care management programs to determine effectiveness as well as ongoing member compliance;

i. Investigate work place health and wellness programs and make recommendations with the goal of educating and motivating employees toward improved health and wellbeing;

j. Make recommendations to increase voluntary participation in health and wellness screenings and benefits included in current health plans;

k. Identify educational opportunities relative to facility and professional provider quality data, as well as designated centers of excellence.

As mutually agreed by the parties, independent subject matter experts and consultants may be called upon to assist the Committee in carrying out their charges.

Within 30 days of the effective date of the Agreement, each union shall appoint a representative to serve on the Committee and the Employer shall designate up to four representatives. The Committee will be jointly chaired by a representative designated by OSE and a representative designated by the Unions.

Monthly meetings of the Committee shall be scheduled with the first being held no later than 45 days following the effective date of the Agreement.

LETTER OF UNDERSTANDING #12

NEW SOLUTIONS COMMITTEE

During the 2011 negotiations, the parties discussed the role of labor management cooperation and collaboration in providing more efficient delivery of services to the citizens of Michigan. The parties recognize that the efficient delivery of services to the public should be mindful of the cost effectiveness, quality of delivery, accountability and public interest. The discussion encompassed the Unions' New Solutions Report, which encourages all stakeholders to work together in an open dialogue manner to achieve best in class public service.

The parties agreed to approach the New Solutions Report jointly with the goal of facilitating the development of positive programs relative to the effective use of resources. Such effective use of resources may include self-directed work teams or other empowerment initiatives as agreed by the parties to provide front line workers with the support needed to effectively perform their jobs.

The parties recognize that Lean Optimization can be a valuable tool in achieving the effective use of resources. Lean Optimization has the simple goal of helping state government work better for both its

customers and its employees. Lean practices rely on joint participation between employees and management at all levels within the State. World class service cannot occur without such employee involvement.

Within sixty (60) days of the effective date of the Collective Bargaining Agreement, a New Solutions Committee will be established to explore innovative solutions to deliver better customer service and pursue better value from those who deliver the services. Each of the Coalition Unions may designate two (2) representatives to meet with the Office of the State Employer. Representatives from the Departments and/or the Civil Service Commission may participate as needed. The Committee will determine the meeting schedule and agenda. The parties agree on the value of utilizing outside independent facilitators trained in business lean practices and will explore funding alternatives to engage mutually agreed upon lean consultants.

LETTER OF UNDERSTANDING #13

Expedited Investigation Process Department of Corrections

The parties recognize that it is advantageous to both the employee and the employer to avoid protracted disciplinary investigations, particularly where there is no dispute of fact as to the underlying rule violation. The parties agree to explore creation of an expedited process, which may address issues such as the conditions under which such process might be used, appropriate time frames, documentation and appropriate appeal rights.

A committee consisting of up to four members appointed by the Union, up to four members appointed by the Department and one representative from the Office of the State Employer will meet to discuss such expedited investigation and disciplinary process as soon as practical after the effective date of this Agreement. Any procedure upon which there is agreement between the parties shall be reduced to writing and submitted to the Civil Service Commission for approval if it would modify any provision of the collective bargaining agreement.

LETTER OF UNDERSTANDING #14

Article 32

During the negotiations in 2013 the parties discussed the requirement in Article 32, Section B to attach the receipt for any reimbursed meal to the request for travel reimbursement for actual expenses up to the maximum reimbursable rate as provided in the State Travel Regulations.

The Employer and Union agree to implement a pilot program to suspend the requirement to attach meal receipts to such requests. Since travel reimbursement is subject to departmental review, it remains the employee's responsibility to maintain supporting documentation of actual meal expenses incurred for which reimbursement from the Department was received.

The pilot program will continue for the duration of the Agreement unless the Office of the State Employer identifies problems that cannot be resolved after meeting with the Union. The Employer reserves the right to reinstate the requirement for receipts at any time during the pilot program if the parties fail to resolve any identified problems.

LETTER OF UNDERSTANDING # 15

Article 5 - Union Dues and Fees

During the 2013 negotiations, the parties recognized that the MCO has challenged the application of Public Act 349 of 2012, the public sector "Right to Work" law, to employees in the classified service. The parties also recognized that the MCO and others have challenged the overall legality of Public Act 349.

This contract amends Article 5 consistent with Public Act 349, with the express understanding that the MCO maintains its challenges to the act, as set forth in the pending UAW, et al. v. Nino Green, et al., court of appeals No. 314781 (application for leave to appeal to Supreme Court filed Sept. 11, 2013). If the MCO should prevail on its challenges, the parties agree to return to contract language in Article 5 in the 2011-2013 collective bargaining agreement. The parties

further agree to return to contract language in Article 5 in the 2011-2013 collective bargaining agreement if Public Act 349 is otherwise held invalid by a state or federal court or repealed.

If the MCO should prevail on its challenges, or Public Act 349 is otherwise held invalid by a state or federal court or repealed, the employer agrees that Article 5 Section C. shall read as follows:

Section C. Maintenance of Membership.
All employees covered by this Agreement who have submitted a valid individual voluntary Membership Dues Deduction Authorization Form to the Employer shall as a condition of continuing employment, honor such authorization until exercising their opportunity to terminate during the period provided for in Section B. of this Article.

LETTER OF UNDERSTANDING #16

12-Hour Shifts

1. The parties agree to continue the 12-hour shift program begun during the previous contract for the duration of this contract.
2. Pilot programs begun at facilities during the previous contractual term, will be extended for two years, subject to modifications and termination with the agreement of both parties.
3. The parties will discuss the thresholds for conducting votes at facilities and solutions to allow facility votes at multi-facility complexes.
4. Scheduling of 12-hour shift schedule and rotation pattern will be patterned after those in place at Muskegon Correctional Facility pursuant to the Letter of Understanding dated July 2, 2012, unless modified in accordance with Article 16 of the collective bargaining agreement or by mutual agreement between MCO Central Office, DOC Central Office, and OSE.
5. For employees assigned to 12-hour shifts, overtime is authorized time that an eligible employee works in excess of 84 hours of work time as defined in Article 17 §A.3. in a biweekly work period.

6. The department agrees to expedite voluntary transfers between 12-hour and 8-hour shift facilities.